

REMARKS

1. Applicant thanks the Examiner for the Examiner's comments, which have greatly assisted Applicant in responding.

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Claim Objections

2. Claims 1-56 are objected to because of informalities; Applicant was advised to define acronyms "ACH" and "MICR" in the claims.

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With all due respect to the Examiner's position, Applicant points out that the prior art of reference cited in the Office Action, U.S. 6,654,487 to Downs, uses MICR in the claims with no definition in the claims. In view of such evidence that such acronyms are not ambiguous and in view of Applicant's right to a fair examination, Applicant respectfully requests that the Examiner reconsider the claim objections. Applicant is of the opinion this is a complete response to the Examiner's claim objections.

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35 U.S.C. §101

3. Claim 36 is rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter, specifically, as directed to an abstract idea. The Examiner stated that Claim 36 recites "a check conversion" which do not define any structural and functional interrelationships with a general purpose computer for permitting the claimed functions to be realized.

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Applicant respectfully disagrees in view of the following claimed features of Claim 36, as follows (emphasis added):

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converting eligible consumer checks;

creating an electronic file for said converted checks;

managing storage and retrieval of images corresponding to said converted checks; and

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Support can be found in the Specification defining check conversion as follows (emphasis added):

(On page 12, lines 27-30)

What is Check Conversion?

Paper checks received from consumers in payment of an account receivable, such as a credit card account, **are converted to an electronic debit.**

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In addition to the above, Applicant is of the opinion that it is readily apparent that reference to 'electronic file' and 'images corresponding to converted checks' herein refers to structure in a computer network.

10 Nevertheless, Applicant has amended Claim 36 (and 15) to further clarify that such claim is statutory. Support can be found also on page 12, lines 31-32 and in Claim 8 as follows (emphasis added):

The paper check is imaged and destroyed.

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as a customer encounters a return check having an image, reading said return check data, examining said **image data**, and determining changes needed for representing an ACH transaction successfully; and

20 Applicant has added the word 'notification.' Support can be found in the Specification on page 13, line 7 as follows:

The consumer receives the invoice and conversion **notification** (104).

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35 U.S.C. §103

4. 35 U.S.C. §103(a).

30 Claims 1-56 are rejected under 35 U.S.C. §103(a) as being unpatentable over Funk (U.S. Patent No. 5,832,463) in view of Downs, Jr. (U.S. Patent No. 6,654,487).

Applicant respectfully disagrees.

35 The Examiner stated "It is to be noted that Funk fails[sic] to explicitly disclose a various rules if the check can not convert, processing the check. However, Down discloses a check processing system which includes a predetermined set of MICR line validation rules, " and that "Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless

transaction of Funk by including the limitation detailed above as taught by Downs because this recognize invalid MICR line based on various rules."

5 Applicant respectfully points out that the Examiner did not provide motivation for combining the references, but rather just combined them stating, in paraphrase, that Funk discloses A and Downs discloses B, therefore it would have been obvious to modify A by including B because B (restated). Applicant is of the opinion that such rejection is improper.

10 Further, it is held in *In re Fritch*, 23 USPQ 2d 1780, 1784 (Fed. Cir. 1992):

It is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that "[o]ne cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention." (quoting *In re Fine*, 837 F.2d 1071, 1075, 5 USPQ 2d 1596, 1600 (Fed. Cir. 1988)).

20 Accordingly, in view of the above, Claims 1-56 are allowable because they meet the conditions for allowance set forth by the applicable Patent Laws, Patent Office Rules, and Case Law. As such, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

5. It should be appreciated that Applicant has elected to amend the Claims solely for the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00). In making such a amendment, Applicant has not and does not in any way narrow the scope of protection to which Applicant considers the invention herein to be entitled. Rather, Applicant reserves Applicant's right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

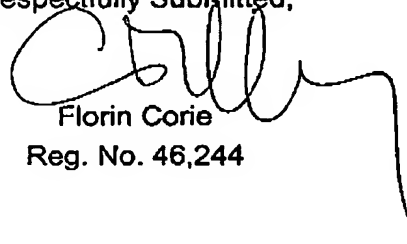
CONCLUSION

5 Based on the foregoing, Applicant considers the present invention to be distinguished from the art of record. Accordingly, Applicant earnestly solicits the Examiner's withdrawal of the rejections raised in the above referenced Office Action, such that a Notice of Allowance is forwarded to Applicant, and the present application is therefore allowed to issue as a United States patent. The Examiner is invited to call (650) 474-8400 to discuss the response.

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Respectfully Submitted,

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